

SENATE BILL REPORT

SB 5154

As of January 22, 2009

Title: An act relating to revising Article 7 of the Uniform Commercial Code, documents of title.

Brief Description: Revising Article 7 of the Uniform Commercial Code, documents of title.

Sponsors: Senators Kline and Rockefeller; by request of Uniform Legislation Commission.

Brief History:

Committee Activity: Judiciary: 1/23/09.

SENATE COMMITTEE ON JUDICIARY

Staff: Brandon Roché (786-7405)

Background: First adopted in Washington in 1965, the Uniform Commercial Code (UCC) is prepared by the National Conference of Commissioners on Uniform Laws. The intent is to promote uniformity in state law governing commercial transactions. The UCC applies to any transaction that predominantly involves the sale of goods. Article 7 of the UCC applies to documents of title such as warehouse receipts and bills of lading which are used in shipping and commerce.

Summary of Bill: Language usage is updated to conform to modern shipping practices and to facilitate electronic commerce. Electronic documents of title and electronic signatures are acceptable substitutes for the tangible equivalents. Statute of fraud requirements are extended to include electronic records and signatures. Control of an electronic document of title is the conceptual equivalent to possession and indorsement of a tangible document of title. Parties may substitute an electronic document of title for an already-issued paper document and vice versa.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

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